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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

Arizona Corporation Commission

DOCKETED

JUL 18 2007

DOCKETED BY

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In the matter of

EDWARD A. PURVIS and MAUREEN H.
PURVIS, husband and wife
2131 W. Shannon
Chandler, Arizona 85224

GREGG L. WOLFE and ALLISON A.
WOLFE, husband and wife
2092 W. Dublin Lane
Chandler, Arizona 85224

NAKAMI CHI GROUP MINISTRIES
INTERNATIONAL, (a/k/a NCGMI), a
Nevada corporation sole
4400 N. Scottsdale Road, Suite 9-231
Scottsdale, Arizona 85251

JAMES W. KEATON, Jr. and JENNIFER
KEATON, husband and wife
11398 E. Whitehorn Drive, Apt. D
Scottsdale, Arizona 85255

ACI HOLDINGS, INC., a Nevada
corporation
17650 N. 25th Avenue
Phoenix, Arizona 85023

Respondents.

DOCKET NO. S-20482A-06-0631

DECISION NO. 69702

**ORDER TO CEASE AND DESIST, ORDER
OF RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME
BY: JAMES W. KEATON, JR. AND
JENNIFER KEATON**

Respondents James W. Keaton, Jr. ("Keaton") and Jennifer Keaton elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order to Cease and Desist, Order of Restitution, Order of Administrative Penalties and Consent to Same ("Order"). Respondents admit

1 the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny
2 the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of
3 this Order by the Commission.

4 I.

5 FINDINGS OF FACT

6 1. Keaton is a married person whose last known residence is 11398 E. Whitehorn
7 Drive, Apartment D, Scottsdale, Arizona 85225.

8 2. Jennifer Keaton ("J. Keaton") was at all relevant times the spouse of Keaton and is
9 joined in this Order solely for purposes of establishing liability of the marital community. At all
10 relevant times, Keaton was acting for his own benefit and the benefit or in furtherance of the
11 marital community.

12 3. ACI is a corporation which was registered with the Nevada Secretary of State on
13 August 21, 2003 and whose last known address is 17650 N. 25th Avenue, Phoenix, Arizona 85023.

14 4. Keaton at all relevant times has been the President, Treasurer, Director, and/or the
15 majority shareholder of ACI. Keaton owns approximately 60% of the issued and outstanding stock
16 of ACI.

17 5. Beginning in or about August 2003 ACI began offering and selling securities in the
18 form of common stock to investors, within or from Arizona. A Confidential Private Offering
19 Memorandum ("PPM"), dated August 25, 2003, was created for distribution to investors in the
20 common stock of ACI. The PPM indicated that the offering was to be made to "accredited
21 investors" only. The PPM indicated that ACI was to attempt to raise \$2,000,000 by selling
22 2,500,000 shares of common stock at \$.80 a share (the "Common Stock Offering"). Keaton
23 participated in the Common Stock Offering.

24 6. Most of the investors in the Common Stock Offering were brought to ACI through
25 Respondents Edward Purvis ("Purvis") and Gregg Wolfe. Purvis was listed as an original director
26 of ACI and acted as such until February 15, 2005 when he formally resigned.

7. The Common Stock Offering raised a net amount of at least \$974,763.00 from investors. Some of the investors in the Common Stock Offering were not in fact accredited investors as called for in the PPM.

8. The Common Stock Offering was not registered pursuant to article 6 or 7 of the Securities Act nor was the securities exempt from registration.

9. Keaton was not registered as a dealer or salesman under article 9 of the Securities Act.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondent Keaton offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. Respondent Keaton violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondent Keaton violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Keaton's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

6. Keaton's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

7. Keaton and J. Keaton's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

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III.**ORDER**

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents Keaton and J. Keaton's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Keaton, and any of his agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act. Respondent Keaton shall not sell any securities in or from Arizona without being registered in Arizona as a dealer or salesman, or exempt from such registration. Respondent Keaton shall not sell securities in or from Arizona unless the securities are registered in Arizona or exempt from registration.

IT IS FURTHER ORDERED that Respondent Keaton comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents Keaton and J. Keaton shall jointly and severally with Respondent ACI Holdings, Inc., a Nevada corporation, and any other Respondents named in Docket No. 20482A-06-063, with whom the Commission enters a settlement, or against whom a judgment is obtained pertaining to sale of ACI Holdings, Inc. stock, to pay restitution to the Commission in the amount of \$355,934. Once \$355,934 has been received by the Commission from ACI Holdings, Inc., Keaton and J. Keaton, or any other Respondents who pay restitution under this provision, the Keatons will have no further restitution obligation under this Order. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the Commission. The Commission shall disburse the funds on a pro rata basis to investors shown on the records of the Commission. Any restitution funds that the Commission cannot disburse

1 because an investor refuses to accept such payment shall be disbursed on a pro-rata basis to the
2 remaining investors shown on the records of the Commission. Any funds that the Commission
3 determines it is unable to or cannot feasibly disburse shall be transferred to the general fund of the
4 state of Arizona.

5 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 that Respondents Keaton and
6 J. Keaton shall jointly and severally with Respondent ACI Holdings, a Nevada corporation, under
7 Docket No. S-20482A-06-0631 pay an administrative penalty in the amount of \$25,000. Payment
8 shall be made in full on the date of this Order to the "State of Arizona." Any amount outstanding
9 shall accrue interest at the rate of 10% per annum from the date of this Order until paid in full.
10 The payment obligations for these administrative penalties shall be subordinate to any restitution
11 obligations ordered herein and shall become immediately due and payable only after restitution
12 payments have been paid in full or upon Respondent's default with respect of Respondent's
13 restitution obligations.

14 For purposes of this Order, a bankruptcy filing by Respondent Keaton or J. Keaton shall be
15 an act of default. If Respondents do not comply with this Order, any outstanding balance may be
16 deemed in default and shall be immediately due and payable.

17 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
18 Commission may bring further legal proceedings against that Respondent, including application to
19 the superior court for an order of contempt.

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IT IS FURTHER ORDERED that this Order shall become effective immediately.

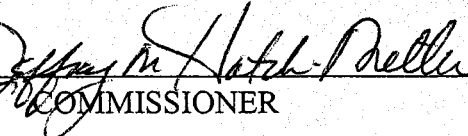
BY ORDER OF THE ARIZONA CORPORATION COMMISSION



CHAIRMAN



COMMISSIONER



COMMISSIONER



COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
Executive Director of the Arizona Corporation
Commission, have hereunto set my hand and caused the
official seal of the Commission to be affixed at the
Capitol, in the City of Phoenix, this 18th day of
July, 2007.


BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

(LHJ)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondents Keaton and J. Keaton admit the jurisdiction of the Commission over
3 the subject matter of this proceeding. Respondents acknowledges that they have has been fully
4 advised of their right to a hearing to present evidence and call witnesses and Respondents Keaton
5 and J. Keaton knowingly and voluntarily waive any and all rights to a hearing before the
6 Commission and all other rights otherwise available under Article 11 of the Securities Act and
7 Title 14 of the Arizona Administrative Code. Respondents Keaton and J. Keaton acknowledge
8 that this Order to Cease and Desist, Order of Restitution, Order of Administrative Penalties and
9 Consent to Same ("Order") constitutes a valid final order of the Commission.

10 2. Respondents Keaton and J. Keaton knowingly and voluntarily waive any right
11 under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
12 extraordinary relief resulting from the entry of this Order.

13 3. Respondents Keaton and J. Keaton acknowledge and agree that this Order is entered
14 into freely and voluntarily and that no promise was made or coercion used to induce such entry.

15 4. Respondents Keaton and J. Keaton acknowledge that they have been represented by
16 an attorney in this matter, they have reviewed this Order with their attorney, Ashley Adams-
17 Feldman, and they understand all terms it contains.

18 5. Respondents Keaton and J. Keaton neither admit nor deny the Findings of Fact and
19 Conclusions of Law contained in this Order. Respondents agree that they shall not contest the
20 validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or
21 future administrative proceeding before the Commission or any other state agency concerning the
22 denial or issuance of any license or registration required by the State to engage in the practice of
23 any business or profession.

24 6. By consenting to the entry of this Order, Respondents Keaton and J. Keaton agree
25 not to take any action or to make, or permit to be made, any public statement denying, directly or
26 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that

1 this Order is without factual basis. Respondent Keaton will undertake steps necessary to assure
2 that all of his agents and employees understand and comply with this agreement.

3 7. While this Order settles this administrative matter between Respondent Keaton and
4 J. Keaton and the Commission, Respondents understand that this Order does not preclude the
5 Commission from instituting other administrative or civil proceedings based on violations that are
6 not addressed by this Order.

7 8. Respondents Keaton and J. Keaton understand that this Order does not preclude the
8 Commission from referring this matter to any governmental agency for administrative, civil, or
9 criminal proceedings that may be related to the matters addressed by this Order.

10 9. Respondents Keaton and J. Keaton understand that this Order does not preclude any
11 other agency or officer of the state of Arizona or its subdivisions from instituting administrative,
12 civil, or criminal proceedings that may be related to matters addressed by this Order.

13 10. Respondents Keaton and J. Keaton agree that he will not apply to the state of
14 Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser
15 or investment adviser representative until restitution and penalty obligations under the Order have
16 been paid in full.

17 11. Respondents Keaton and J. Keaton agree that they will not exercise any control
18 over any entity that offers or sells securities or provides investment advisory services within or
19 from Arizona until restitution and penalty obligations under the Order have been paid in full.

20 12. Respondents Keaton and J. Keaton agree that they will not sell any securities in or
21 from Arizona without being properly registered in Arizona as a dealer or salesman, or exempt from
22 such registration; he will not sell any securities in or from Arizona unless the securities are
23 registered in Arizona or exempt from registration; and he will not transact business in Arizona as
24 an investment adviser or an investment adviser representative unless properly licensed in Arizona
25 or exempt from licensure.
26

1 13. Respondents Keaton and J. Keaton agree that they will continue to cooperate with
2 the Securities Division including, but not limited to, providing complete and accurate testimony at
3 any hearing in this matter and cooperating with the state of Arizona in any related investigation or
4 any other matters arising from the activities described in this Order.

5 14. Respondents Keaton and J. Keaton consent to the entry of this Order and agree to
6 be fully bound by its terms and conditions.

7 15. Respondents Keaton and J. Keaton acknowledge and understand that if they fail to
8 comply with the provisions of the order and this consent, the Commission may bring further legal
9 proceedings against him, including application to the superior court for an order of contempt.

10 16. Respondents Keaton and J. Keaton understand that default shall render them liable
11 to the Commission for its costs of collection and interest at the maximum legal rate.

12 17. Respondent Keaton and J. Keaton acknowledge that any restitution or penalties
13 imposed by this Order are obligations of Keaton as well as the marital community.

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15
16 James W. Keaton, Jr.

17
18 Jennifer Keaton

19 STATE OF ARIZONA)

20 County of Maricopa) ss

21 SUBSCRIBED AND SWORN TO BEFORE me this 22nd day of June, 2007.

22
23 Tara Demarco
24 NOTARY PUBLIC

25 My Commission Expires:

26 1/31/2011

